



State of Nevada Department of Business & Industry

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Independent Hearing Officer Upholds Disciplinary Action for Unlicensed

Mortgage Modification Activity

Las Vegas, NV- Disciplinary action imposed by Mortgage Lending Division Commissioner Jim Westrin against two entities and associated individuals offering unlicensed mortgage modification services was recently upheld during separate appeal hearings. The appeals were filed with the Division after the Commissioner issued orders to the parties to cease and desist, make restitution, pay an administrative fine and reimburse costs of the investigations and proceedings.

EZ Debt Solutions, LLC and Jose Avila appeared before the hearing officer on appeal of charges that he committed violations of state law by engaging in activities as a covered service provider without first obtaining the proper licensing from the Mortgage Lending Division. Mr. Avila was found to have provided loan modifications services for a fee without obtaining the necessary license. On August 21, 2012, the Commissioner issued a Cease and Desist Order and ordered restitution of \$3,000 to the victim, an administrative fine of \$25,000 and reimbursement of the cost of the investigation and attorney's fees. The hearing officer upheld the Commissioner's Order.

David and Minerva Young of My State Processing requested a hearing on appeal but did not appear. Multiple complaints made to the Division prompted an investigation which found that Mr. and Mrs. Young offered to provide loan modification services, solicited homeowners using inaccurate representations of fact and collected "up-front" fees. The Youngs engaged in this activity without obtaining a license, a violation of NRS 645. On May 3, 2012, the Commissioner issued a Cease and Desist Order and ordered restitution to 6 known victims totaling \$13,875, an administrative fine of \$50,000 and reimbursement of the cost of the investigation and attorney's fees. They were also ordered to file a report with the Division to identify other potential victims. The hearing officer upheld the Commissioner's Order.

A copy of the orders can be obtained by accessing the Division's website at www.mld.nv.gov and clicking on the link to "Administrative Actions."

“Companies that prey on distressed homeowners will not be tolerated in Nevada,” said Mortgage Lending Commissioner Jim Westrin. “The Division will act swiftly and firmly to ensure that these bad actors are shut down.” Westrin continued, “Consumers are cautioned to verify that any business offering to assist them with their mortgage is properly licensed and should beware of any business that promises a desired result or charges any advance fees.”

Homeowners who may have been victimized by EZ Debt Solutions, Jose Avila, My State Processing or the Youngs – or those with a complaint about another mortgage loan modification business – are encouraged to call the Division at (702) 486-0782 to file a complaint.

These appeal proceedings are the first hearings conducted at the Mortgage Lending Division under a pilot initiative launched by the Department of Business and Industry in July 2012. The initiative, funded by a state settlement agreement, provides dedicated Administrative Law Judges or Hearing Officers to provide timely and independent adjudication of regulatory administrative actions and other dispute resolution proceedings in the areas of real estate, mortgage and financial institutions.

Hearing Officers are assigned cases from three agencies: Mortgage Lending Division, Real Estate Division or Financial Institutions Division. This limited assignment allows for a better understanding of relevant statutes and regulations in the matters before them. It also provides for a more timely resolution of cases with decisions being issued within 30 days of the hearing.

“We are hopeful that this pilot initiative will continue, and at some point become a permanent resource for our Divisions.” said Business and Industry Deputy Director Shannon Chambers. “In addition to being able to decide these types of cases in a more timely manner, it provides a greater and more immediate opportunity for victims to receive restitution.”

About the Department of Business & Industry

The Nevada Department of Business & Industry is a cabinet level agency in Nevada State government. The mission of the Department is to protect consumers and promote commerce. Our objective is to encourage and promote business development and growth, and to ensure the legal operation of business in order to protect consumers. These objectives are carried out through maintaining a fair and competitive regulatory environment and eliminating unnecessary and burdensome regulations when possible. In addition, Business and Industry is committed to providing leadership for small businesses in the areas of advocacy, navigating state government, access to capital and training.

About the Mortgage Lending Division

The Division is authorized to enforce the statutes and regulations pertaining to Mortgage Bankers, Mortgage Brokers, Mortgage Agents, Escrow Agencies, Escrow Agents and Loan Modification Consultants, Foreclosure Consultants and other persons who provide similar services. The mission of the Division of Mortgage Lending (MLD) is to promote professionalism, education and ethics in the mortgage lending, escrow, loan modification and foreclosure consultant industries through fair regulation and coordination with industry and consumer groups in addition to providing consumers with a fair and balanced complaint resolution process.

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